

In short, Madam Speaker, we need a government of, by and for the people instead of one that is of, by and for the bureaucrats.

COMMUNICATION FROM THE  
CHAIRMAN OF THE COMMITTEE  
ON COMMERCE

The SPEAKER pro tempore laid before the House the following communication from the Hon. TOM BLILEY, Chairman of the Committee on Commerce:

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON COMMERCE,  
Washington, DC, September 26, 1997.

Hon. NEWT GINGRICH,  
Speaker, House of Representatives,  
The Capitol, Washington, DC.

DEAR MR. SPEAKER: This is to formally notify you, pursuant to Rule L (50) of the Rules of the House of Representatives, that the Committee on Commerce has received subpoenas for documents and testimony issued by the U.S. District Courts for the Central District of California and the District of Columbia, respectively, in the matter of Oxycal Laboratories, Inc., et al. v. Patrick, et al., No SA CV-96-1119 AHS (EEx) (C.D. Cal.) (civil dispute between private parties that apparently arises out of an alleged breach of a settlement agreement).

After consultation with the Office of General Counsel, I have determined that the subpoenas appear, at least in part, not to be consistent with the rights and privileges of the House and, to the extent not consistent with the rights and privileges of the House, should be resisted.

Sincerely,

TOM BLILEY,  
Chairman.

ELIMINATE THE IRS AS IT IS NOW  
KNOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. FOX] is recognized for 5 minutes.

Mr. FOX of Pennsylvania. Madam Speaker, I rise tonight to speak on a very important topic, and that is to eliminate the IRS as we know it, and I have to thank my friend, the gentleman from Tennessee [Mr. DUNCAN], who has outlined well the case for why we in Congress, the House and the Senate, working together with the executive branch, must make these fundamental changes.

We have a Tax Code that is over 5 million words, an agency that has 113,000 agents, and there are really two issues here. The two issues are these: First, we need to have IRS change, and then we need to make sure that in fact the code itself changes and we have a new system.

The IRS has to change because we have the abuses caused by the kind of burden of proof that is required. Right now in the United States the Commissioner of the IRS is presumed to be correct and the taxpayers are presumed to be guilty. In no other part of Anglo-American law is anyone presumed guilty before evidence is presented. It seems to me that that is a very fundamental, logical, reasonable change

that has to be made, legislatively speaking, right here in the House and as well in the Senate.

Beyond making the burden-of-proof change, we should see a change, I believe, in the culture of how the investigations are conducted. We have heard case upon case last week in the Senate Committee on Finance and I, in my district in Montgomery County, Pennsylvania, have seen where regular business people, individuals and families have been terribly hurt by investigations without probable cause, where we have bank accounts seized, businesses closed, individuals' lives turned upside down because there may have been a belief, without evidence, that something was wrong.

The fact is in many cases the IRS has overstepped its bounds. There have been quotas for having cases brought, for convictions being made, and when in fact this has been turned over. We need to make sure the IRS is changed so that when there is an investigation conducted it is with probable cause, and we will not have bank accounts seized, we will not have businesses closed and we will not have lives turned upside down.

We need to make sure we provide those kinds of safeguards that already exist in the private sector. If someone wants to bring an action in a civil court, they have to have probable cause. And if a person brings injury against someone else, they have to pay just compensation. The United States should have the same burden so that the taxpayers are protected.

That is why I am sponsoring and cosponsoring legislation in this Congress to make the changes on the burden of proof, on changing the IRS, and on having a date certain by which we do that. By the year 2000 we will have a replacement agency which will oversee, hopefully, a new IRS and as well a new code.

The current code, with all the words and all the exclusions and all the exemptions seem to favor only a few while taking money from the many. We want to see the possibility of flat tax, one that would have exemptions, of course, for mortgage deduction, for State and local taxes that are collected, as well for charitable deductions.

Those kinds of reasonable changes will be the kinds of changes that the American people can embrace. And Congress has to lead the way in response to the abuses that have been outlined not only in the Senate Committee on Finance, Madam Speaker, but as well in the Committee on Ways and Means with the oversight hearings that are being conducted.

I am hoping colleagues on both sides of the aisle will join together to make those changes, because I know there are people in every State that have had these abuses. They must end. And while most of the IRS are doing a good job and care about what they have as a career, we have set up the cir-

cumstances by creating a system with an unfair burden of proof with a runaway agency because of the culture that was created years ago.

Those fundamental changes must be made. We can downsize and we can make sure that we are delivering to the people the kind of government they want and the kind of protection they want. And so I thank my colleagues for their support in this new legislation.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington [Mr. METCALF] is recognized for 5 minutes.

[Mr. METCALF addressed the House. His remarks will appear hereafter in the Extension of Remarks.]

IRS, MEDICARE, AND SOCIAL  
SECURITY

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Wisconsin [Mr. NEUMANN] is recognized for 60 minutes as the designee of the majority leader.

Mr. NEUMANN. Madam Speaker, I have been sitting in the Chamber listening to the 5-minute speeches that have been going on, so I want to start tonight by proposing some new legislation as it relates to campaign finance reform.

And here is what our legislation will do. We will make it illegal to make fund-raising phone calls from offices that are paid for by the taxpayers of this great Nation, so in the future it will be illegal to make phone calls from offices that are paid for with tax dollars.

We will make it so that the Lincoln bedroom, a very important part of our heritage in this great Nation, is no longer for sale for purposes of raising money for any political sort, whether it be Republican, Democrat or otherwise.

And the third thing our campaign finance reform bill will do is it will make it illegal for foreigners to contribute to, that is, buy, election influence in the United States of America.

Those are the three points of our campaign finance reform bill that I would hope to introduce.

The gentleman from Pennsylvania is nodding his head, and I would yield to him for a comment.

Mr. FOX of Pennsylvania. Well, Madam Speaker, I thank the gentleman and would just tell him that this is a takeoff of legislation I started about 8 months ago on the Lincoln bedroom. But I think the gentleman's legislation is a little more comprehensive, and I, frankly, would like to cosponsor the gentleman's bill and make sure we carry the message forward.

I think when the public and our colleagues hear about this particular abuse or that abuse, I think a comprehensive bill that would embrace all of the changes would get the attention, I believe, not only of the public but as well the Speaker and the leadership. So

I would like to work with the gentleman on that legislation so we can have both sides of the aisle embrace it and have it pass in this session.

Mr. NEUMANN. I would tell the gentleman from Pennsylvania that two-thirds of this is already illegal in the United States of America. Unfortunately, we have these laws on the books already and they are not being enforced.

So I thought maybe after all we had been hearing about this campaign finance reform here tonight, that we should go back and redo the laws already on books, just write them over again exactly the way they are, and start enforcing some of the laws already on the books to clean up some of the mess out here before we try to add more laws.

Mr. FOX of Pennsylvania. Perhaps we should make sure the Attorney General is aware these are the laws so that she can make that a priority while she moves forward in making sure the Justice Department is effective and efficient.

Mr. NEUMANN. So perhaps we should re-pass them in that case.

I want to move forward now in a much more direct manner here. I would like to dedicate the rest of this hour to a very important person, and I want to pay special tribute to him this evening. My father had his birthday last week and I want to just pause tonight to recognize how important he and other people like him are in the lives of people like myself.

Without dad, and dad's influence in my life and his understanding and leading me through many tough situations in our life, and being an active help in our campaigns, both when we won and when we lost, I for one would not have been elected to this Chamber and we would not have brought about some of the changes that are happening.

I thought I might just dedicate a small portion of this to some of the changes that are being made specifically for senior citizens, and specifically after discussions with my own parents and an understanding of how influential they have been in my life, and, dad, I should pause long enough to say thank you this evening to dads all across America, my colleagues' dads, that have been so influential in changing America.

For senior citizens I do think it is important to know that Medicare, that was on the verge of bankruptcy in 1993, has been restored and Medicare is now solvent, so our senior citizens can rely on Medicare. There are some changes in Medicare, though, that came about after having these discussions with our senior citizens.

First, the attention is being turned to preventive care as well as care only after the disease or problem has developed. Things such as screening for breast cancer, screening for prostate cancer, blood sugar monitoring for diabetics, screening for colorectal cancer, these are things that have been added

now as a preventive measure that in the long term will help our seniors live a healthier and better life. And I think it is a big move forward as we look at Medicare.

It is also important to point out that as Medicare was restored, it was done without raising taxes on the American people. It was done by providing our seniors something they never had before. Before the legislation that has just passed, the Federal Government decided what health insurance was necessary for our senior citizens and then they designed one-system-fits-all and said, senior citizens, like it or not, here is your health care.

The outcome of that, the outcome of Washington developing a one-size-fits-all health care policy, was that senior citizens like my parents were paying \$43 a month, \$43.50 a month to buy part B Medicare insurance. And on top of that they were going out and buying supplemental insurance to go with it to help pay for the things that Washington did not deem it appropriate to pay for.

Under this new plan our senior citizens will have the choice of staying on Medicare as they know it today, or they may take those same dollars and buy a different private sector policy.

I was talking to Mom and Dad about this particular aspect of the Medicare thing recently, just before we passed the bill, and they said to me, "Well, I think I am staying on Medicare." I said, "Well, Mom and Dad, is there any other program out there that you have seen that you like, that you might even give small consideration to switching to?" They came up and talked about one they thought might be okay, but it was still in the developmental process.

That is what this legislation is all about. I know and respect my parents and I know that the senior citizens in this Nation are capable of making good decisions for themselves. I know that like my mom and dad, if Medicare is the best thing for them, they will make the decision to stay on Medicare. But there are certainly very talented, capable people that are ready to look at other programs out there and they are certainly capable of making the choice to do something different, and that should be their freedom and their prerogative, and I am happy to say that is a significant change.

Mr. FOX of Pennsylvania. If the gentleman will yield, I wanted to add that I appreciate the gentleman's leadership on these issues, especially dealing with seniors and making sure that Medicare is approved.

One of the other items I want to thank the gentleman for working with me on is making sure we fought back the Senate changes that were proposed to raise the eligibility age for Medicare from 65 to 67. We fought that back and won.

There also was the Senate proposal to have a means test, and we fought that back, for people that had already

invested in their work, from the time they were working for Medicare. We won on that.

And there was also to be an increase in the co-pay, the Part B for home health care. We fought that back. So we were able to make sure not only were the prevention programs the gentleman worked on, to make sure they were a part of the Medicare package, but also we were able to maintain the kind of program as it is, without the means test, without the increased co-pay and without raising the age of people who are on Medicare.

Mr. NEUMANN. I sincerely hope that our colleagues and our colleagues' parents all across America will look to our parents and thank them for their contribution as Medicare has been restored.

I thought, continuing this theme of dedicating a portion of this to my father, in honor of his birthday, I thought we would also talk about the Social Security System, because I know how important that is to my parents in their lives and what it means to them to receive a Social Security check, and what that means to other senior citizens all across America.

Today, Washington, the government, is collecting dollars out of the paychecks of people, working families, so that they have money in here in this fund called the Social Security fund so they can give Social Security checks back out to our senior citizens. Today they collect more money than what they pay back out to our senior citizens in benefits.

Now, with that extra money, it is supposed to be set aside in a savings account. And the savings account is supposed to grow and grow and grow, to protect our seniors, to protect the Social Security System as we know it today. Well, it should come as no great surprise to anyone out here that before we got here in 1995, since about 1983 that extra money that has been coming in has been spent on other government programs instead of being set aside to preserve and protect Social Security.

So we have introduced legislation out of our office called the Social Security Preservation Act. The Social Security Preservation Act, it is not like Einstein kind of stuff. It simply says the money coming in for Social Security must be put in the Social Security Trust Fund.

The idea of collecting this extra money out of the paychecks of working families is that when the baby boom generation moves towards retirement, and there is not enough money in the Social Security Trust Fund to make good on the Social Security checks, instead of going to senior citizens like my parents saying, "We can not give you Social Security any more," the idea was that there would be enough money sitting there in the savings account, so when there was a shortfall they could go to the savings account, get the money, and make good on the Social Security promises to the senior citizens.

The legislation that we have introduced, called the Social Security Preservation Act, very simply would require that the money coming in for Social Security would be put in the Social Security Trust Fund and would stay there.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think the gentleman's bill certainly is an idea whose time has arrived. I cosponsored the bill as soon as it was introduced.

I know, having been a senior citizen advocate myself, making sure my parents had the benefits of Medicare and Social Security, I know that in prior Congresses, before we arrived, they had in fact helped to balance the budget on the backs of senior citizens by borrowing money from the trust fund, I think to the tune of about \$380 billion.

□ 2000

So, hopefully, with the line-item veto, with the downsizing of certain Government programs, hopefully with legislation that I have to sunset agencies and departments that are duplicating the State government work, that we will be able to make sure over a period of time with my colleague's bill, which we cosponsored, be able to pay back to the trust fund the kinds of moneys that we want to have in there so that when they say now the funds are secured until 2029, but this will take it well beyond 2029, so that future generations of senior citizens will also have the benefit of the Social Security system.

Mr. NEUMANN. Reclaiming my time, that is great and that is where we should be going with the future of this country.

Another thing I know my parents and they have talked to me a lot about and most senior citizens in this country, they want to give a Nation to their children that is better than the Nation they received. They want to fulfill their responsibility to this country, just as generations before them have done.

One of the problems that has developed over the last 15, 20 years is the growing debt facing America. And they are very concerned about this, and they are very concerned that this is the legacy that will be passed on to the next generation. So I thought I would take a few minutes and talk about how we got to where we are, how deeply in debt we as a Nation are and what we need to do to fix the problem and how things have changed in the last few years.

This chart I brought with me shows how the debt was growing starting in 1960 to 1980. You can see how it is a relatively flat line, but from 1980 forward, this thing has gone off the wall. Let me put this in perspective, because there has been a lot of partisan stuff going on here on this floor this evening.

When I look at 1980 and I say, look, that is when this thing started really climbing here, 1978, 1979, a lot of people go, well, that was the year Ronald

Reagan was elected to office. That is what all the Democrats say. They say, therefore, it is the Republicans' fault.

And all the Republicans say, well, now wait a second. You ought to really understand what is going on here. All spending originates in the House of Representatives. That is the Constitution. And, therefore, since the House was controlled by Democrats, it is absolutely the Democrats' fault that we are this far in debt.

The reality of this situation is that when we look at this debt chart, we are currently up here. And it is now an American problem; and whether you are Republican or Democrat, it is our responsibility as American citizens to do something about this mess before it brings this Nation to its knees. That, basically, is what has been going on out here since 1995.

I want to put this in perspective because I know this is the part that concerns my parents a lot and I know it concerns a lot of senior citizens. The debt today currently stands at about \$5.3 trillion. If you have not seen that number before, it has got about 12 zeroes after it, or 11 zeroes after the 3. It is a huge number. Remember, this is the amount of money that this Government has seen fit to spend over and above what it collects in taxes.

To put it another way, and this is the old math teacher in me, I used to teach math before I was a home builder, if you divide the debt by the people in the United States of America, the Federal Government has borrowed \$20,000 on behalf of every man, woman, and child in the United States of America.

I would encourage my colleagues to go to a city in their district on a very busy day and look at the crowds of people and just start looking about what it means for this Government to have spent \$20,000 on behalf of every man, woman, and child in the United States of America more than what it collected in taxes. For a family of five, like mine, of course that means they have spent \$100,000 more than what they collected in taxes.

Here is the real problem with this growing debt. Today a family of five in America pays an average of \$580 a month, every month, to do absolutely nothing but pay the interest on this Federal debt. That money is actually borrowed. It is borrowed by when people buy T bills and people invest in T bills across America. This money is actually borrowed and there is interest being paid on it. The average cost of interest for a family of five is \$580 a month.

A lot of people say, "Well, I do not pay \$580 a month in taxes, so I do not have to worry about it." But the facts are, if you do something as simple as buy a loaf of bread in the store, the store owner makes a profit on that loaf of bread and part of that profit comes out here to Washington, DC to do nothing but pay interest on the Federal debt.

It is staggering the impact that this has on our economy today. And the

nice thought is what would happen if we paid this debt off so that this \$580 a month could stay in the homes of those families instead of being sent out here to Washington, DC. What a change to America this would really be.

Mr. DUNCAN. Mr. Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Tennessee.

Mr. DUNCAN. First of all, I would like to commend the gentleman from Wisconsin [Mr. NEUMANN] for his comments. I did not know he was going to get into the campaign financing. But I think all of the people of this country would prefer to have an administration in power that gives more influence to American citizens than it does to representatives of foreign campaign contributors. And I certainly agree with the comments of the gentleman on that.

But I rise tonight especially to commend him for his concern about this horrendous national debt that we have. I went recently in Knoxville to the Cedar Springs Presbyterian Church. The minister, John Wood, prayed what I thought was a very interesting prayer. He prayed for those who had come there that day hurting in some way due to a family problem or a business problem or a health problem. But he then said he was praying most especially of all for those who had come in a complacent mood and did not think they needed any help and thus needed it perhaps most of all.

I think in some ways that describes a little bit the condition of the country today, because some people think that because the stock market is temporarily high that things are better than they really are. But this \$5½ trillion national debt puts us on very thin ice economically, as the gentleman from Wisconsin [Mr. NEUMANN] has pointed out.

Then, on top of that, we have these looming Federal pension obligations, Social Security as my colleague mentioned, the Federal pensions, the military pensions, horrendous obligations that in other countries, the only way that governments have been able to meet those obligations is by either drastically decreasing benefits or drastically inflating the money.

Sometimes when I speak in high schools I tell some of the young people, "I know when we say we have a \$5½ trillion national debt that maybe your eyes glaze over and you think it does not have any effect on you. But it really does." Every leading economist says it is like a chain hanging around the neck of our economy, holding us back. Times are good now for some people, but they could and should be good for everybody. People making \$5 and \$6 an hour can be making \$10 or \$12 an hour if we did not have this horrible debt.

We are getting ready, shortly after the turn of the century, to face some of the biggest problems that this country has ever faced. And if we do not start doing things like the gentleman from

Wisconsin [Mr. NEUMANN] is talking about, starting to pay this national debt back and getting Federal spending under control, as I pointed out in my 5-minute special order a few minutes ago, Federal spending, in spite of all the publicity about cuts, is still going way up every year.

So I salute my colleague for the work he is doing in this regard. It is very, very important for the country, especially now while we still have a chance to do something about it.

Mr. NEUMANN. Reclaiming my time, the statement of the gentleman from Tennessee [Mr. DUNCAN] about complacency and the pastor's words reminds me of a saying that has been ringing very much in my ears as we contemplate the next election cycle. And that is not about us but rather about the people in America. It goes something like this: "In order for evil to succeed, good people need only sit idly by."

That is, effectively, what has happened over the last 15 or 20 years in this Nation. We are going to talk a little bit about how we got here and how different it is in the last 3 or 4 years, because there is some reason for optimism. Some things have changed. We still have got that huge problem that they passed to us. But there are things changing out here, and it is important that people know about that.

Mr. FOX of Pennsylvania. If the gentleman would continue to yield, I have to agree with the gentleman from Tennessee [Mr. DUNCAN] when it comes to saluting the leadership of the gentleman from Wisconsin [Mr. NEUMANN], really being a trailblazer when it comes to the deficit question, and also his work on the budget committee.

Particularly, when we look to the balanced budget, I know from Alan Greenspan and people like the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from Ohio [Mr. KASICH], chairman of the committee, by having a balanced budget finally by the year 2002, we are in fact going to reduce interest costs for cars, interest costs for college, and interest costs for home mortgage.

But would my colleague explain to me, under his Debt Repayment Act, what is the effect going to be for the homeowner, for the family, and how long will it take us to succeed, over how many years will it take for the Debt Repayment Act to take full effect?

Mr. NEUMANN. Reclaiming my time, I think if I could take just a couple minutes first and show how we got into this mess and how much things have changed, and then let us go forward to the future. I think it is important for any group of people to understand how they got to where they are, if in fact things are changing, and where we might be headed to in the future.

I brought with me a chart today to show how we did get to where we are and what was going on in the past. Before 1994, and this credit should go to

the American people, before 1994 what was going on was Washington was promising that they were going to balance the budget. They were recognizing how serious a problem this national debt was.

This blue line shows what they promised to do with the deficit line hitting zero, or a balanced budget, in 1993. The red line shows what they actually did. And I think it is important to understand that in the past they had Gramm-Rudman-Hollings, the first one, and then Gramm-Rudman-Hollings again. And then another promise in 1990, and 1993 came and went and of course there was no balanced budget.

In fact, in 1993 they looked at this and they said, well, we cannot control Washington spending. So there is only one other alternative if we are serious about doing something about this, and they did it. They reached into the pockets of the American people and they collected more taxes out.

I have been starting some of our group meetings to show how different things are today than they were before by announcing a very important piece of legislation. Here is what it does: It raises the top income tax bracket from 31 to 36 percent and tacks on a 10-percent surcharge. It makes the tax increase retroactive to January 1 of this year. It raises Social Security taxes on our senior citizens, and it raises the gasoline tax. Just in case we missed anybody with the first group, it raises the gasoline tax by 4.3 cents a gallon and does not even use the new money that it has taken in for roads; it directs the money to social welfare programs.

I start talking about this legislation because it gradually dawns on people that that was the 1993 tax increase bill. That was what they did out here when they looked at this picture in 1993. In 1994, the American people were fed up with this and they said "no more."

I would add that that tax increase, the solution to this problem of taking more money out of the pockets of people, that solution passed by one vote in the House of Representatives and it passed by a single vote in the Senate. I might add, and I do not want to turn this into partisanship but I have tried not to, there was not a single Republican vote for that tax increase back in 1993 because Republicans had a different idea.

We thought that the right way to balance the budget was by controlling the growth of Washington spending, a very different picture. Well, Republicans did take control of the House of Representatives in 1995, for the first time in a long time, and the Senate. And I think what happened in 1995 should be looked at very carefully by the American people, because the American people have had these promises in the past and they have always been broken.

When the change occurred in 1995, we laid a plan into place that was very much like this blue line. We said that by the year 2002 we were going to bal-

ance the Federal budget. I have that on the chart here. Here is our promised deficit stream when the Republican plan passed in 1995. But it is very different than the outcome. We are not only on track but ahead of schedule. My colleagues will notice the red line is in the opposite spot from where it was up here. We are not only hitting our targets, but we are far ahead of our targets, and we are going to provide the American people the first balanced budget since 1969 next year, 4 years ahead of schedule, not broken promises, no excuses as to why it cannot be done. It is done, and it is done 3 or 4 years ahead of the original promised schedule.

That is a phenomenal change in what is happening in Washington from this picture and raising taxes, to this picture, balancing the budget, on track, ahead of schedule, and at the same time saying to the American people "it is time you had a tax cut."

For the first time in 16 years, a tax cut is going to be delivered in this year. It is actually signed and into law. The ink is dry. The tax cut is there. If we get time later on in this special order, I would like to go through some of the things in the tax cut. But for now I would like to move a little bit farther forward and show how it is possible that we get to a situation where we can both balance the budget 4 years ahead of schedule and at the same time lower taxes for the American people.

What this chart shows, the blue line shows the growth in revenue. And we see that the growth in revenue from 1989 to 1995 was going up at about the same speed that spending was going up. What that meant was that all the new money coming into Washington was immediately being spent on new Washington programs.

But in 1995, the revenue kept going up at a pretty good pace, but the red line started going up at a slower pace. Well, when spending goes up at a rate slower than revenue growth, the lines crossed quickly. So the reason we are in a position today where we can both have a balanced budget 4 years ahead of schedule and provide tax relief to the American people is because the revenues have continued to go up strong, but instead of letting spending go up with them, spending has been curtailed.

I have got another chart here to put this in perspective. Because one thing that I hear when I am out in public at town hall meetings, as a matter of fact I heard it in a meeting this morning before I got on a plane to come out here, the general concept is, "Well, the economy is doing so well; and because the economy is doing well, you politicians are trying to take credit for how good the economy is."

Again, the facts are significantly different than that. I would first point out that between 1969, the last time we had a balanced budget, and today, we have had a lot of good economies. But in the past when there was a good economy,

Washington simply expanded the spending to a point where the deficit remained. That is why we have had a deficit every year since 1969.

This Congress is different. The revenues did come in faster than expected, and the revenues are coming in good because the economy is strong. But with the revenues coming in, the growth rate of Washington spending has been slowed by 40 percent in 2 years. This chart is extremely significant in understanding how we can both balance the budget and reduce taxes at the same time.

Before we got here, spending was growing at an annual rate of 5.2 percent. It is now growing at a rate of 3.2 percent. So, in the face of strong economy, extra revenues coming in, instead of doing what past Congresses have done, and that is find new ways of spending it here in Washington, at the same time the economy is very strong, spending growth has been curtailed in this city. And that is what got us to this position where we are going to have our first balanced budget since 1969 and our first tax cut in 16 years.

□ 2015

This whole system works because we have curtailed the growth of Washington spending. And let us go a step further. When we curtail the growth of Washington spending, that means Washington borrows less money out of the private sector. Well, when Washington borrows less money out of the private sector, that means there is more money available in the private sector. More money available, law of supply and demand; again, this is not complicated. The law of supply and demand says: When there is more money available in the private sector, the interest rates will stay down; and, again, this is not unexpected.

We had hoped that the result of those lower interest rates would be a strong economy, where people bought more houses and cars because they could afford them easier with the low interest rates, and in fact that is exactly what is happening, and that is spurring on our economy today better than anything else we could have done.

So when government spends less, they borrow less out of the private sector, it leaves more money available in the private sector. With more money available in the private sector, the interest rates stay down, and when the interest rates are down, people buy more houses and cars, and the logical next step when people buy more houses and cars, somebody has to go to work building those houses and cars, and of course that is what leads us to more job opportunities for our people.

Mr. FOX of Pennsylvania. Mr. Speaker, if the gentleman would yield, I think that is one of the best items you just pointed out.

When you talk about getting the budget in balance, two major facts: First, we have lower interest rates for cars, college, and for the home; and we

also increase, because companies are doing better, more job opportunities. So we are lowering the unemployment rate, and by doing that, there are more people employed, and those who are employed have a better chance of rising up within their own business, and we also stabilize the tax base, because you have more people paying into the tax system, and hopefully at lower rates because of our new programs.

Mr. NEUMANN. Exactly.

Would the gentleman, reclaiming my time?

Mr. FOX of Pennsylvania. Certainly.

Mr. NEUMANN. The wonderful thing to think about here is, it is more than about these numbers and charts; it is about my two kids are in college and my other one, who is a freshman in high school, it is about these kids and whether or not there are going to be job opportunities right here in America or whether we are going to find ourselves in a position where, in order for my children to have hopes and dreams and the opportunity to live the American dream that we have had in this great Nation, it is about whether they are going to be able to do that at home in Wisconsin or whether they are going to have to go over to a Pacific rim country, or China, or wherever, in order to have the hopes and dreams and the opportunities that we have had during our generation. That is what this is about. It is about whether or not our kids are going to have an opportunity to live the American dream.

I thought I would show one more chart, because another thing that comes up a lot of times when I am out at public meetings is, they say, well, who is supposed to get all the credit for this thing, and are not you afraid somebody is going to get the credit, and Clinton is going to get credit for what you guys have done, and how are we going to stop that from happening? And this is how the discussion goes. And I brought a chart to kind of show what would have happened had we not been here.

In 1995 when we took office, in 1995 when we took office, if we had played golf and tennis and basketball instead of doing our job, this is where the deficit was going. This is where the deficit was going when we got here and what we inherited when my colleagues and I took office in 1995.

This yellow line shows what happened after 12 months, and some people remember our first 100 days, the battles that went on. If we had quit after the first 12 months, the deficit would have followed this yellow line. The green line shows what we had hoped to do, and the blue line shows what is actually happening. And, again, the emphasis here is how far we have come from 1995 to 1997 and what a phenomenal change there is in this great Nation we live in.

I would be happy to yield.

Mr. FOX of Pennsylvania. I think, you know, you deserve a great deal of credit for being a visionary on this.

You know, while some people look at one bill at a time, you are looking at it from a 4- or 5-year projection. As you are looking for your children and eventually your grandchildren, you are giving a real vision to this Congressman.

The question I have, MARK, is, how do we know that we can assure this for the years to come? We know we have done for the 104th Congress and 105th the Congress. What kind of budget discipline and what kind of legislation can be achieved so that the same kind of graph that you have been showing, where there is going to be more opportunity, your children will fulfill their dreams and have a job and give less money to the government and more money back in their pocket for their children to fulfill their dreams, what kind of legislation do we need in order to make sure that the dreams of your children will be fulfilled?

Mr. NEUMANN. Well, I think the logical next step in this whole thing is the answer to that question. That is, after we balance the budget, we still have that \$5.3 trillion debt that our generation is going to give to the next as a legacy if we do not do something about it.

So while things have changed a lot since 1993 and the broken promises and tax increases of the past to a point where we are on track balancing the budget and providing tax relief to the people, restored Medicare, good things, but we have to ask, where are we going next?

And the answer to that is, we need to start making payments on the \$5.3 trillion debt, and the easiest way to describe what we are suggesting that we do in our legislation, I know we have cosponsored this bill together, and people in Pennsylvania are very fortunate to have a person like yourself here to help with this kind of legislation; what we are doing is proposing, very much like on a home mortgage, just like all the folks out there that have a home, and they borrow money to buy the home, they make payments on their home mortgage, we are effectively suggesting that we do exactly the same thing in that \$5.3 trillion debt.

We have introduced a bill called the National Debt Repayment Act, and what the National Debt Repayment Act does is, it caps the growth of Washington spending, it controls the growing Washington spending, at a rate 1 percent lower than the rate of revenue growth, and it has to be at least 1 percent lower. That creates a surplus.

With the surplus created, we take one-third of the surplus and dedicate it to additional tax cuts, and two-thirds of it goes to start making those mortgage payments on the Federal debt, and it is real important, when the mortgage payments are being made on the Federal debt, we are also putting the money back into the Social Security Trust Fund that has been taken out over the last 15 years.

So our National Debt Repayment Act would pay off the entire debt by the

year 2026 so our children could inherit this Nation debt free, but it would also restore the Social Security Trust Fund.

And I said earlier this hour that I am dedicating this special order to my father, who had his birthday last week. Senior citizens should be in droves behind this kind of legislation because by putting the money back into the Social Security Trust Fund, Social Security once again will be safe and secure, and for the people in the work force this will provide additional tax relief each and every year.

I brought a chart with me to kind of show how this would work and show what actually happens in picture kind of form. The red line, again, is the spending growth, and you can see spending still going up. So for those that are concerned that Medicare, Medicaid, or whatever will not be there, spending is still going up. And I might just add a personal note here.

If this was me, spending would not be shown going up this fast, and if I was in control of Congress where the conservatives were actually the majority in this body, this spending line would be much slower, it might even be flat-lined, so we would even shrink Washington spending much more. But even with spending going up at a small rate, if you keep it going up at a rate 1 percent lower than the rate of revenue growth, the blue line shows the rate of revenue growth, the red line, the spending growth; if the red line is going up slower than the blue line, that creates the surplus in between here, and one can see how the surplus develops, giving us the revenues necessary to pay back the Social Security trust fund, to pay off our debt so we can give this to our children debt free and we can dedicate some of those surpluses to additional tax cuts for the American people.

I would be happy to yield to the gentleman.

Mr. FOX of Pennsylvania. People will say to us, well, this sounds good, but what happens in times of emergency, and what happens in a time of war?

Mr. NEUMANN. The bill kicks out actually during the time of emergency and during the time of war, and remember, the bill says we have to keep at least a 1 percent difference in this growth rate.

There are going to be other times where it is more than a 1 percent gap; that is, spending is going to be going up much slower than the rate of revenue growth. We happen to be in one of those times right now. As a matter of fact, revenues to the Federal Government today are growing by 7.3 percent, and spending is only going up by 3.2 percent. There is a 4-point spread in there right now. This chart shows how it works with only a 1-point differential.

So during the good times like those that we are in right now, I think we find a wider than 1 percent spread, and during those bad times the bill would

kick out, because in all fairness, if we are in a war, I do not think we want this sort of thing restricting us, and if we went into some sort of a major recession, there may be a reason for the Government to actually spend more money.

Today, that is not the case. Today, our economy is booming. There are job opportunities for people. We are seeing the welfare rolls decline with the welfare reform that went through a year ago. We are seeing a lot of good things happening in our country, but we do not want to tie our hands with this sort of legislation that we could not adjust in the event of an emergency.

Mr. FOX of Pennsylvania. Well, if the gentleman will yield, the National Debt Repayment Act is certainly a bill that both sides of the aisle should be supporting, and, frankly, I would like to see the Senate support it once it gets there after we pass it.

But with regard to tax legislation, where we have seen great reform in this session which you and I supported along with our colleagues, we have reduced, we have a \$500 per child credit, reduced capital gains tax, increased the inheritance tax exemption, and one of the most important items, tax credits on education.

Do you think we could be going to a time, maybe next year, the second session of the 105th Congress, where we can further reduce capital gains, which will increase savings, new jobs, and growth?

Mr. NEUMANN. Well, that is what this bill is all about really, is it does provide one-third of this surplus for additional tax cuts as we move forward.

The gentleman mentioned that this needs to happen in the Senate as well. I would just point out that in the Senate of the United States there is not a single Member over there as of yet that is interested in introducing the Social Security Preservation Act which we talked about earlier. That is the bill that forces Social Security money to actually stay in the Social Security trust fund. Not a single Senator yet has moved forward. And on this National Debt Repayment Act, what seems to me to be the logical next step, not a single Senator as of yet has sponsored the bill. And I am optimistic that we will see movement in that direction because it does, after all, take passage in both Houses in order to get this job done.

On the tax cuts, maybe we should go into the tax cuts that have already passed, and remember, the bill is currently on the table to sunset the entire IRS Code and replace it with something that is simpler and fairer, easier for our people to understand, by the year 2001.

So I anticipate we are going to begin an immediate debate over an entirely new tax system, something people actually can understand, and they will at that point be able to figure out their own taxes and understand, if there is a tax increase, they are going to know about it.

And there is one thing I know for sure. If they know their taxes are being increased, politicians are going to be much less likely to increase them. In 1993, the way they got away with it is, they demagogued it, saying it was only tax increases on the rich. Well, the reality was, you were rich if you owned an automobile and filled it up with gasoline, because when they were done, taxes went up by 4.3 cents a gallon as well as a 2.5 cent extension in the gasoline tax.

So that is part of it, but maybe we should talk about the Tax Code and how it has changed. And, again, I think we need to look back to 1993 when taxes were going up and see that this is good even though it is a little complicated. Should we start maybe with the one that is going to hit the most families? I do not know how many families it hits in Pennsylvania. I know in Wisconsin, 550,000 families are eligible to keep \$400 per child more of their own money in their own house instead of sending it out here to Washington, DC.

Mr. FOX of Pennsylvania. If the gentleman would yield, my own county, Montgomery County in Pennsylvania, in my district, 108,000 families will have the benefit of the \$400, eventually \$500, per child tax credit. That will go a long way to help pay other bills.

Mr. NEUMANN. You have got 108,000 just in your county in Pennsylvania, and we have only got 550,000 in all of the State of Wisconsin. Our people had better start having more kids in Wisconsin so we catch up.

Seriously, it is important for my colleagues to understand that next year, starting in January, for each one of those children under the age of 17, on January 1 they can go into their place of employment and adjust their withholding taxes so they start keeping \$33 per month per child more in their own paycheck instead of sending it out here. The \$33 a month is the \$400 total divided up over the 12 months.

So if you have got a family of five, three kids under the age of 17, what they should do in January of next year is go in and increase their take-home pay by \$100 a month. That is what this tax cuts means to the 550,000 families in Wisconsin and the 108,000 in your county in Pennsylvania.

The other thing is, I think the emphasis on education in this tax bill was real important. I always talk to our groups, and I ask if anybody has got a freshman or a sophomore in college, and inevitably we see a bunch of hands go up. For a freshman and sophomore in college, in the vast majority of the cases, the parents will be able to keep \$1,500 more of their own money instead of sending it out here to Washington.

And I want to be as clear as I can be on this. This is not a deduction. This is as in you figure out your taxes, and when you are all done figuring out how much you would have owed, if you are a freshman or sophomore, spent \$2,000 on their college tuition, room, board, and tuition, you subtract \$1,500 off the

bottom line. You figure your taxes out, and you subtract \$1,500 off the bottom line for a freshman or sophomore in college. For a junior or senior in college, it is 20 percent of the first \$5,000 of costs, or in many cases \$1,000 for a junior or a senior.

And, again, it is important that our constituents understand that this means that in January of next year, if you have got a freshman in college, you simply go in and take 1,500 divided by 12, or \$125 a month more in your take-home pay. There is nothing else you have to do; you just take home an extra \$125 a month.

For a family of five in Wisconsin, we have got some church friends, one in college, freshman in college, two still at home. This family is eligible for \$2,300 next year, and I know in this particular family that they are working several jobs in order to make ends meet.

Just think what this tax cut package means to a family of five, where the mother and father have been working not only their regular jobs but an extra job or two in order to get ready for Christmas. Next year, this family is eligible to keep \$2,300 more of their own money instead of sending it to Washington.

Mr. FOX of Pennsylvania. If the gentleman will yield, I think one of the most important parts of the tax package is the education tax credits, because there are so many young people who want to go into higher education, whether it is junior college, community college, regular college, whatever kind of higher education, leading to a satisfying job. They want to know that they have got the chance, that their parents will get the kind of credit off their taxes to encourage them to get that extra education. They can make sure they get a better job, and their families will certainly have full opportunity.

□ 2030

Mr. FOX of Pennsylvania. So I will continue working with the gentleman in Congress to make sure we expand educational opportunity so each person can be all they can be educationally, vocationally, and within the society.

Mr. NEUMANN. Madam Speaker, the other one that relates to education, in the same area, is the \$500 per child education savings account. I have a lot of grandparents that say what should we give our grandchildren for this particular birthday or this particular birthday. This account has been set up so that the grandparent could conceivably put \$500 per child into a savings account that would then stay in the savings account until the child reaches college age. The child then, the interest accumulates tax-free and the child could then take it out when it is time to pay for their college education.

Of course, it is not only grandparents that could do this, parents could do this if they have the financial wherewithal, but it is an account that allows

families to start saving for their children's future education, where the interest accumulates tax-free in the account. It is called the educational savings account and works sort of like an IRA used to work.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman would yield, we also have the Coverdell and Gingrich bill, a plus account, which will be an additional \$2,000 towards college education.

So I think whatever we can do to give the students the opportunity to attend the college of their choice, the institute of their choice, whatever it may be, then I think the Congress, moving educationally, we are doing the right thing for all of our people.

Mr. NEUMANN. Madam Speaker, reclaiming my time, does the gentleman think these education accounts that we have just talked about point out how different things are in Washington?

Five years ago, if this would have been the discussion, it would have gone like this: Well, we are going to raise taxes on the people, get more money out here in Washington, and then we here in Washington are going to decide which families out there in America have a right to get some of this money back.

That is not what this is about. This says people that have worked hard to earn a living, and whoever they are, if they have children under the age of 17, keep \$400 more of their own money. They have to earn it first; it is their money, they have to earn it, but after they have earned it, they keep it in their own home instead of sending it to Washington. It is not Washington deciding which people are going to be eligible and collecting more tax dollars like they did in 1993, but rather, it is a tax cut. It simply says if they earn the money, the kids are under the age of 17, keep it in their own home; we know they know how to spend it better than the people here in Washington. It is really great to look at these kinds of tax cuts as opposed to what might have gone on before.

Why do we not jump out of education. I hear a lot of times when I am out at our town hall meetings, well, MARK, I do not have any kids, and since I do not have any kids, I am not eligible for any of those tax cuts. Well, there is a few other things in here, and I talked to a union worker in particular. He said, "My kids have gone and I am not really thinking about selling my house and I am not really eligible for anything." I said to him, "Are you thinking of saving to help take care of yourself and retirement?" He said, "I know you are going to talk about IRA's, but I already have a 401(k) at work." I said, "Would you consider saving more for your retirement, if you could, tax-free?" He said, "Yes, I would be interested in doing that, but I am not going to be eligible because I have a 401(K) already."

The new tax cut package has changed that. Even if people are eligible for a

401(k) at work, under the new tax plan, it is called the Roth IRA. People can now put \$2,000 per person per year into a savings account. Now, they are putting in after-tax dollars as opposed to before-tax dollars. They are putting in after-tax dollars, but the interest accumulates tax-free, so if they put the money in this year, whatever they earn on that money between now and retirement, when they get to retirement and take the money out of this account, the money that they take out is absolutely tax-free. So they put \$2,000 per person per year into the account, they pay tax on that money this year, but when they take it out in retirement, it comes out to them absolutely tax-free. There is no tax on the increased value of that \$2,000 they put in.

The nice thing, I have a lot of young people that say, "Well, MARK, I am not sure I am ready to think about retirement yet." This account also works for young families who are trying to save up to buy their first home. They can put \$2,000 per year per person into this account, and a lot of especially couples without children or single working families, they put this money into this account and then later they can take up to \$10,000 out of the account without penalties to buy their first home.

So for the young families it is an opportunity to save to buy their first home. For the folks that are in their 40's and 50's, maybe the kids are gone, it is an opportunity to save more for themselves for retirement and have it be a tax-free retirement.

Mr. FOX of Pennsylvania. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Madam Speaker, under the Roth IRA, it is \$2,000 per person for how many years hence?

Mr. NEUMANN. As many years as one so desires.

Mr. FOX of Pennsylvania. OK. So there is no sunset on that provision?

Mr. NEUMANN. No. One can keep putting \$2,000 per year into this account each year from now through the year they retire, unless, unless we go back to the ways of 1993; and if we go back to the ways of 1993, broken promises and higher taxes, certainly this might be one of the accounts they look at; but it is up to the American people to make sure they keep elected Representatives who are going to be more interested in controlling Washington spending, because when we control Washington spending, that means the people can keep more of their own money instead of sending it to Washington. The folks have to make sure that they understand that is what is necessary in order for this Tax Code to continue with tax cuts as opposed to going back to the way of 1993, but that is up to the American people.

Mr. FOX of Pennsylvania. The National Debt Repayment Act, which the gentleman authored and I have cosponsored, has this gone to the Committee



on the Budget for review, or Ways and Means? Where has it gone?

Mr. NEUMANN. It will be reviewed in a series of ways. I am optimistic that we will have an inner-term vote, but at least it says no new Washington spending with the extra revenues coming in. And it will put us on track that the only thing we can do with the surpluses is either reduce taxes or pay down debt, and that will certainly put us in the right direction.

Mr. FOX of Pennsylvania. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Madam Speaker, one of the related bills that I have, and I hope that would also see legislative action, and that would be what I call the sunset review of Federal agencies. It is something we did in Pennsylvania where we evaluated all of the State agencies and said, over a 7-year period or 5 years or whatever we want to pick, each agency had to justify its own existence. To the extent it could, it would remain. To the extent it did not, it would be consolidated, privatized, downsized, or eliminated. This is a process that seems so logical it should have been adopted previously, but it is something that I believe is related to the gentleman's legislation when it comes to debt repayment and balanced budgets.

Mr. NEUMANN. I have a sneaking suspicion there is a whole heap of agencies that could not justify their existence today.

We started through this in my first year here, and it was unbelievable the number of agencies that when we went to them, there is just no way that they could justify. But it is too vast a list to go at them each one at a time. We get as many as we can. The way to do this is to look at the overall numbers and keep squeezing them down, but I certainly support that type of legislation, sunsetting every agency every 7 years unless it can justify its existence. It sounds like a great idea to me.

A couple of the tax cuts that we have passed, and again, this bill has been signed, this is happening, the ink is dry, this is law: The capital gains tax rate has gone from 28 percent to 20, and then it is going down to 18 after that. I have some people say, "Well, Mark, you made it more complicated because it is 15 months or 18 months or 12 months, and how long do we have to hold it?"

But when it is over and done, I think people can take the time to find out whether they have held their asset for 12 months or 18 months in order to pay 8 percent less and then 10 percent less.

For the folks on the lower income tax bracket, this is something I learned in Brodhead, WI at a town hall meeting. I had someone come up and say, "I volunteer my time helping senior citizens fill out their tax forms. And all that capital gains stuff you are talking about, they do not earn enough money to be affected by the 28 down to 20."

Well, the fact is, if a person is earning less than \$41,000 a year, their capital gains tax rate goes down to 10 percent. This person told me about a number of senior citizens who, in addition to Social Security, are drawing small amounts out of whatever they have used to save money in the past, and of course then there is capital gains on whatever it is that they are drawing this money from, and this will reduce their tax rate from the current 15 down to 10 as well for the lower income folks.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman will yield, a part of what we have to do is make sure we get the word out about these new tax reductions so that all of our senior citizens and others will continue to take advantage of them.

Mr. NEUMANN. Madam Speaker, reclaiming my time, another one that not many know about, and this really impacts: 74 percent of all senior citizens in Wisconsin still own their own home, and there is a new tax provision that is very directly aimed at senior citizens, but it is going to affect all of society, and that is if they have lived in their home for 2 years and they sell the home, they no longer pay any Federal taxes on it in the vast majority of the cases. Now, what has happened in the past is we had this rule that said if a person was 55, they could have a one-time exclusion when they sell their home.

So what has happened is a lot of our senior citizens have sold their home at age 55, took the one-time exclusion, and then they went out and bought a smaller home, because of course at 55 their kids were gone so they did not need the big house any more. So they bought a new home at age 56, and they are now 67 or 68 and would like to sell their home again.

Under the old Tax Code, since they had taken their one-time exclusion at age 55, they would pay capital gains on the appreciation of that home from the age of 56 to 66. Under the new Tax Code, there is no Federal taxes due on the sale of a personal residence as long as they have lived in the residence for 2 years in the vast majority of the cases.

This is a phenomenally large change. Being a homebuilder, I dealt with this an awful lot where we would have clients come in and the clients would say to me, "Well, I have moved from wherever to Wisconsin where it was a little more affordable housing," and they would come in and say, "We have huge capital gains, and I took this job transfer, and I was happy to take the job promotion and have the opportunity to live a better life for myself and my family. When I got here the house prices were low and that is good, but now I owe the Government all of this money."

Well, that is all gone, that is history. The law has changed. If a person lives in a home for 2 years and it is their personal residence and they sell it, there is no Federal taxes due on it. I

have said that 3 times because I was on a radio talk show in one of our communities and I had a caller call in and ask me whether or not I was sure that there was no Federal taxes due.

And I said, "No, there is no Federal taxes due." She had bought a home, I think it was for \$20,000, and was selling it for about \$80,000 and she wanted to make sure of this. And she said, "I pay income tax on it instead of capital gains." And I said, "No, there is no Federal tax due to the sale of your home," and she said, "Well, then I pay," and she gave me some other kind of tax. I said, "No, it is not that the tax has been shifted to some place else; there is no tax due on the sale of that home" that had appreciated in value from \$20,000 to \$80,000 in this particular caller's case. So this is also a phenomenal change.

I know Pennsylvania has some agriculture, as does Wisconsin. I think another point here that we would be failing if we did not bring up is the farm tax change.

Mr. FOX of Pennsylvania. Madam Speaker, if the gentleman would yield, that is certainly going to help us. We have small businesses in Pennsylvania, of course, and in Wisconsin, and we also have a lot of family farms. What we are able to do under this new inheritance tax law is \$1.3 million, I think that is the right figure, will be the exemption from the inheritance tax.

So instead of having to sell the family farm to pay the estate taxes of the deceased, we are going to be able to have the family farm or the family-owned small business that had been worked on for years now carried forward to the sons and daughters, so they can carry on the family business without having all of the money that the farm is worth, or the business, going up in taxes.

Mr. NEUMANN. Madam Speaker, they say under this new Tax Code, reclaiming my time, that 90 percent of all farms may now be passed from one generation to the next generation without the tax being due, the death tax being due to the extent where many of those farms are being sold.

The other thing that affects and directly impacts the agriculture industry of course is that many farms are now corporations, which means there is stock in the corporation and as the stock is transferred, the capital gains rate directly impacts what taxes are due, and of course the reduced capital gains tax helps our farmers immensely.

I see the gentleman from Indiana has joined us.

Mr. SOUDER. Madam Speaker, will the gentleman yield?

Mr. NEUMANN. I yield to the gentleman from Indiana.

Mr. SOUDER. Madam Speaker, I wanted to briefly join in here, because the gentleman called my attention earlier this evening to an article that ran in the Wall Street Journal today, and Congressman SHADEGG from Arizona cited it in particular, and then I actually read it.



The gentleman has been a leader in our class and in Congress in doing budget numbers, tax numbers, appropriation bill numbers, and has been somebody we all look to, and now I realize that the gentleman is completely politically incorrect. The article in the Wall Street Journal today from Lynn Cheney about the National Commission for Education Testing was talking about math, and the gentleman from Wisconsin [Mr. NEUMANN] asked me earlier this evening, "Did you see this absurd statement in the Wall Street Journal?" Steven Leinwand, this is quoting from the Wall Street Journal today, Lynn Cheney's article, who sits on the committee overseeing President Clinton's proposed National Mathematics Exam, has written an essay explaining why it is downright dangerous to teach students things like  $6 \times 7$  is 42, put down 2 and carry the 4. Such instructions sorts people out, Mr. Leinwand writes, anointing the few who master these procedures and casting out the many. That is a quote. As Mr. Leinwand tells it, there might have once been an excuse for such undemocratic goings-on, but we can now, because of technology, throw off the "discriminatory shackles of computational algorithms."

Mr. NEUMANN. Reclaiming my time, can we just point out again who this person is that they are quoting? This is the person that sits on the board that is going to design the national tests to test our children. All of those things the gentleman from Pennsylvania said. He is the person that is going to be designing these tests, and this person thinks it is inappropriate to teach kids that  $7 \times 6$  is 42, and when they are doing multiplication of more than one number times another, how to actually go through it. I am an old math teacher and if my colleague sees my face turning red at this point, it is only because I find it so frustrating that we would think in this society that we have moved to this point.

I do not want a national math test. I want the parents and the local community folks and the school board, I want them to develop a test to test their kids and their community for what they think their kids should know.

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Mr. SOUDER. If the gentleman will continue to yield, Madam Speaker, as both a former math teacher, which the gentleman from Wisconsin [Mr. NEUMANN] is, and as a former homebuilder whose whole business depends on being able to, if not directly, at least understand the computation of  $6 \times 7$  equals 42, otherwise you are likely to be having ridiculous prices on the homes that you are trying to build, how do we expect the American people in the future to be able to read charts like the gentleman has in front of him, or be able to understand how to calculate capital gains taxes if this man, and to reiterate one other point that the gentleman said, he is not only on

the National Math Board, he serves as a consultant to the Connecticut Department of Education, sits on the board of the \$10 million National Science Foundation math program, and advises the standard-setting project funded by the Pew and MacArthur Foundations.

It is not just this kind of one-man kind of weirdo sitting there, he is on a whole bunch of boards, driving this whole dumbing-down sense of America. And then people want to know how, well, we cannot quite understand your chart. This is too complicated. They want to feel things through. If we do not have a basic understanding of math, we are basically going to get ripped off.

Mr. NEUMANN. Madam Speaker, reclaiming my time, this is the problem with the liberal philosophy. The liberal philosophy would tell us that we do not need to understand math because Washington can take care of you, trust us. The Government will take care of you. That is the wrong philosophy. Folks need to understand basic math, reading, and science so they can look at a situation and evaluate the situation, and make a decision for themselves on how to best take care of themselves and their families in this world we live in.

Mr. SOUDER. Madam Speaker, if the gentleman will continue to yield, I will be talking later, and I know the gentleman from Arizona [Mr. SHADEGG] wants to talk about this, too, but the gentleman has been kind of a national math teacher to this country, going through the budgets, going through the appropriations bills, going through the tax bills. I appreciate the gentleman calling my attention to this article and the fallacy of these national tests, because if we do not have a country that can defend themselves, they are going to get run over by the Washington bureaucracy. I thank the gentleman for his leadership.

Mr. NEUMANN. That is the nicest thing I have been called since I came to Washington, so I thank the gentleman.

I yield to the gentleman from Pennsylvania [Mr. FOX].

Mr. FOX of Pennsylvania. Madam Speaker, I appreciate the gentleman from Indiana sharing with us his comments, because he has also been a leader working with the gentleman and I, when it comes to making sure the taxpayers are getting their money's worth.

That is what this is all about, we want to have a Federal Government that performs the kinds of services that have to be there that are not taken care of by the State government, and that individuals and families cannot take care of by themselves. But there is no reason we should be overcharged for that.

Frankly, I think the National Debt Repayment Act we need to go very strongly on. I am hoping we will not need a sponsor, because it is going to pass the House and it just needs Senate

votes. I am sure there are Senators who may hear and read about this and will actually want to be the gentleman's Senate sponsor. I will pursue that with the gentleman further after this special order.

From my point of view, Mr. Speaker, I think my constituents who have heard about the National Debt Repayment Act and the quest to get the balanced budget think that Washington is finally listening to what they have been saying back home. This is not a Washington idea, this is an at-home idea. The people back home want to make sure we spend less, we regulate less, we tax less, and we let them keep more of the money, power, and influence that should be kept in our neighborhoods and our communities.

Mr. NEUMANN. I think that is a good lead-in to wrapping this hour up this evening. We have dedicated the hour to my dad and others, people like him across America that are so responsible for giving us the opportunity to be here and change this great Nation.

When we look back to before 1995 and see the broken promises of moving to a balanced budget, and the promises that they were going to get there, and as the deficit escalated, they raised taxes back in 1993.

If we look at how far we have come in the last 2 or 3 years, we are to a balanced budget, not as promised, but 3 or 4 years ahead of schedule; we are going to balance the budget for the first time in fiscal year 1998 since 1969, when I was a sophomore in high school, the last time the budget was balanced. Taxes are coming down for the first time in 16 years.

What a phenomenal contrast from 1993 to 1997, the tax increases versus the tax cuts of 1997. Medicare has been restored to our senior citizens, to my dad and to my parents, to the senior citizens out there. Medicare has been restored, and we are now moving rapidly forward.

We look at the future. We have our first balanced budget in our hands and our first tax cut. The ink is dry, it is passed. As we look to the future, we realize that even after the budget is balanced, we still have a \$5.3 trillion debt.

The next move is to pass the National Debt Repayment Act, which will pay off the Federal debt much like we pay off a home mortgage over the next 30 years. That means that we can give this Nation to our children debt-free. It means that the money that has been confiscated out of the Social Security trust fund will be returned so Social Security is safe and solvent once again for our seniors. In that bill, one-third of the surpluses are dedicated to additional tax cuts as we move forward.

So as we look at the past, the present, and the future and where we are going with this great Nation, things have changed since 1995. It is truly a pleasure to be able to bring to the American people how different this great Nation is today than it was 3 short years ago, and how those changes

can lead to a better future for our children and our grandchildren, because that is what it is all about, giving those kids hope for opportunities to live the American dream in this great Nation.

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ANNOUNCEMENT BY THE SPEAKER  
PRO TEMPORE

The SPEAKER pro tempore [Ms. GRANGER]. The Chair will remind all Members to refrain from urging Senate action or inaction.

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REPORT ON RESOLUTION PROVIDING FOR THE CONSIDERATION OF HOUSE RESOLUTION 244, SUBPOENA ENFORCEMENT IN THE CASE OF DORNAN V. SANCHEZ

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-280) on the resolution (H. Res. 253) providing for consideration of the resolution (H. Res. 244) demanding that the Office of the United States Attorney for the Central District of California file criminal charges against Hermandad Mexicana Nacional for failure to comply with a valid subpoena under the Federal Contested Elections Act, which was referred to the House Calendar and ordered to be printed.

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REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1127, NATIONAL MONUMENT FAIRNESS ACT

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-283) on the resolution (H. Res. 256) providing for consideration of the bill (H.R. 1127) to amend the Antiquities Act to require an Act of Congress and the concurrence of the Governor and State legislature for the establishment by the President of national monuments in excess of 5,000 acres, which was referred to the House Calendar and ordered to be printed.

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REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1370, REAUTHORIZATION OF THE EXPORT-IMPORT BANK

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-282) providing for consideration of the bill (H.R. 1370) to reauthorize the Export-Import Bank of the United States, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2203, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1998

Mr. MCINNIS (during the special order of Mr. SOUDER), from the Committee on Rules, submitted a privileged report (Rept. No. 105-281) on the resolution (H. Res. 254) waiving points of order against the conference report to accompany the bill (H.R. 2203) making appropriations for energy and water development for the fiscal year ending September 30, 1998, and for other purposes, which was referred to the House Calendar and ordered to be printed.

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A RIDICULOUS THREAT FROM THE PRESIDENT TO CONGRESS REGARDING CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under the Speaker's announced policy of January 7, 1997, the gentleman from Indiana [Mr. SOUDER] is recognized for 60 minutes.

Mr. SOUDER. Madam Speaker, I have found few things as ridiculous since I have been elected to Congress in 1994 as the headline that I saw last week in the Washington Times, repeated in various publications around the country in different ways. That headline says "Clinton Threatens to Recall Lawmakers to Hill. Campaign Finance Vote Demanded During Session."

Madam Speaker, I was trying to sort this through. My basic understanding of this was that the President of the United States, Mr. Campaign Finance himself, is threatening to call us into session for campaign finance reform; this, the President who has made more from Air Force One, the plane, than Harrison Ford made from the movie? He wants us to have a session on campaign finance reform?

Tonight, Madam Speaker, we are going to talk a little bit about this President and some of his friends. Additional Members will be joining me as we go through this. But I have been soliciting some information about different people's opinion on this, and what their reaction was to this headline.

Madam Speaker, I have a couple of comments that I want to share with the Members. We will be going through a number of these tonight.

I think that principle No. 1, and if I can, I am going to move down to the other microphone here so I can use these posters, rule No. 1, before we pass a bunch of new laws, is, how about we start in this campaign finance reform with follow the current law. Because it does not do a lot of good if in this country we pass a bunch of laws but then we ignore those laws.

As I suggested the other day, if the President wants to have a special ses-

sion, maybe we could have the first day with his friends who are in jail; the second day with his friends who have already been released from jail; maybe the third day would be his friends who have been indicted and are headed to jail. Then we could have a couple of days for his friends who have pleaded immunity, 1 day for those who pleaded partial immunity, 1 day for those who pleaded full immunity. Then we could have a couple days for his friends who pleaded the fifth amendment. There are I think 56 of those right now. Then we could have 3 days for his friends who have fled the country, possibly 1 day for each continent.

Madam Speaker, it is ridiculous. They are not following the current law. Why does he want us to come in and pass a bunch of new laws if we cannot get people to follow the current law?

We have the Vice President of the United States, and we will get into this more later, but who said that he was not following the existing law because he was not clear on the controlling legal authority. Madam Speaker, that is quite the explanation, that he was not sure of the controlling legal authority.

The sale of access by this administration is unprecedented. To be fair, the President does not discriminate where they are going to take the money from. If the money is green, they will take it. They have taken it from drug dealers, international fugitives, from arms dealers. Hey, it is an equal opportunity administration.

There are some things that you can buy, for example, if you tune into the Clinton Shopping Network. For \$100,000 you can become a managing trustee of the Democratic Party, which entitles you to two meals with the President, two with the Vice President, issue retreats, private impromptu meetings with administration officials, and your very own DNC staffer to assist with your personal requests.

For \$300,000, you can bypass the national security aides and get directly to the President, even if you are an international fugitive like Roger Tamraz. In his case, it was \$250,000 or \$300,000 to be able to talk to the President about a pipeline, and he did not even get it. I do not know what it would have cost if he was going to get the pipeline.

We cannot even make up a cast of characters like the contributors who wound up at the White House coffees, overnight in the Lincoln bedroom, or posing for photographs with the President. It is something like out of the bar scene from "Star Wars." It is such an odd conglomeration of different types of people.

The key, driving thing was, how can we raise more money so we can put more ads up. Do not worry about the details. Drop the background checks, in spite of the advice they were getting from different people regarding individuals that were coming. The key thing was, can they bring in money, will they give the party money.